



**CORE ALTERNATIVE**  
C A P I T A L

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August 2022 Commentary  
As of 9/20/22

The Core Alternative ETF (NYSE: CCOR) returned -0.56% (NAV) / -0.67% (Market Price) in August. The strong equity market rally that began in June continued through the first several weeks of August before abruptly reversing course after U.S. Federal Reserve Chairman Powell's brief remarks at Jackson Hole. The fund's security selection within the equity holdings was the primary contributor to outperformance relative to broad stock and bond markets. Specific holdings in the Financials sector bolstered returns with the rising interest rate environment supportive of margins and financial technology company earnings coming in better than expected. Option positioning was net neutral to returns with losses in the first half of the month offset by profit taking in the puts in the final two weeks. Higher beta securities in the Technology sector led market declines as longer duration cash flow, higher valuation companies stand to face headwinds with higher costs of capital.

The central bank head asserted that inflation was the primary target for policymakers citing the intention for a higher Fed Funds rate that would need to remain elevated for an extended period of time. The Chairman's speech marked a shift in tone to a decidedly hawkish stance. Both fixed income and equity markets responded in kind with the rates curve adjusting higher and equity prices lower. Notably, the move higher in Treasuries was driven by real rates as opposed to inflation expectations built into the nominal curve. This signifies an increasing real cost to financing, while inflation shows signs of moderating. Inflows to equity markets have been dominated by corporations buying back stock post earnings, while both retail and institutional investors either remain sidelined or continue to reduce exposure. Despite the recent declines to end the month, valuations remain in line with long-term averages while margins will likely remain under pressure with a slowing economy, persistent inflation, and a higher cost of capital.

To view the fund's standardized returns and holdings, click here: <https://www.corealtfunds.com/fund>

Reach out to our team to find out more at [sales@corealt.com](mailto:sales@corealt.com)

**Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling 800-617-0004 (ETF INFO). Performance figures are net of all fund expenses. Total annual fund operating expenses 1.07%.**



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Important Disclosures:

*To determine if this Fund is an appropriate investment for you, carefully consider the Fund's investment objectives, risk factors, charges and expense before investing. This and other information can be found in the Fund's full or summary prospectus which may be obtained by calling 800-617-0004 (ETF INFO) or visiting our website at [www.corealtfunds.com](http://www.corealtfunds.com). Read the prospectus carefully before investing or sending money.*

**Investments involve risk. Principal loss is possible.** There is no guarantee that the Fund will achieve its investment goal. All risks associated with this fund should be carefully considered before any investment decisions are made. In addition to the normal risks associated with investing, the Fund also includes the following risks specific to the particular investment strategy the fund employs: Derivatives Risk, Dividend Paying Security Risk, Equity Investing Risk, ETF Risks, Hedging Risk, Large Capitalization Companies Risk, Management Risk, Market Events Risk, Models and Data Risk, Options Risk, Sector Concentration Risk. For the list of applicable risks, and their descriptions, please refer to the fund's Prospectus found at [corealtfunds.com](http://corealtfunds.com).

Opinions expressed are subject to change at any time, are not guaranteed, and should not be considered investment advice.

The Core Alternative ETF is distributed by Quasar Distributors, LLC.

Indexes are unmanaged and one cannot invest directly in an index.

Diversification may not protect against market loss.

Total annual fund operating expenses 1.07%.

Index and market data provided by Bloomberg, LP

Market Price: The current price at which shares are bought and sold. Market returns are based upon the last trade price.

NAV: The dollar value of a single share, based on the value of the underlying assets of the fund minus its liabilities, divided by the number of shares outstanding. Calculated at the end of each business day.